40: Kirk --19 S-2 (no date) 1941 Formosans
116, 185, 208, 461, 656, 177.20 Japanese

"The common people today are called upon to make so many sacrifices that the government is appealing to their sense of loyalty to the Empire and to their intense national patriotism to keep the masses united and in a mood to endure further privations. The present campaign for 'Spiritual Mobilization' includes (1) encouragement of savings, spending nothing for luxuries and very little for necessities ; (2) mobilization of gold; (3) free gifts of labor, money, and materials to help carry on the war; (4) improvement of health and training to increase the stature. Very few persons are exempt from labor services. Road and bridge building, flood prevention, cleaning and caring for shrines and shrine grounds, clearing and cleaning airports, and tree planting are types of labor which any able-bodied person may be called upon to do. When a worker receives notice to report on a certain day and at a certain time and place, he usually thinks twice before he dares to ignore the summons."

40: Kirk --20 [3] S-2 (no date) 1941 Formosans
116, 178, 185, 553

"Beginning with 1940, the 2,600th anniversary year of the Empire, Formosans have been permitted to take Japanese names. It may be significant that in the eight months just-prior to the writer's visit only 367 families had signified their willingness to change their Chinese names.

In striking contrast to this nonconformity in Formosa, the Koreans, who received the same invitation, have adopted Japanese names almost 100 per cent. A distinguished American religious leader explained to the writer that the Koreans are docile and easily led, while the Formosans are more stubborn in their resistance to change."

40: Kirk--21-22 S-2 (no date) 1941 Formosans-1-2
116, 185, 656, 177.18 Japanese

"Chinese culture. The government officials of Taiwan are trying to abolish the Chinese culture patterns of the Formosan people. The 'Spiritual Mobilization' program formulated as a result of the 'China Incident' involves radical changes in social customs and religion as well as the substitution of Japanese for the Formosan language. A number of social customs are particularly objectionable to the Taiwan government. (1) Foot-binding is still practiced among the Taiwanese women, especially among those whose forefathers came originally from Fukien, China, although the custom is now prohibited by law. In 1905, according to official statistics, 59.6 per cent of the entire female population had deformed feet, in 1915 the percentage had dropped to 17.4 per cent, and in 1920 only 11.8 per cent of the women were victims of foot-binding. Today the young women are practically free from this affliction, but many of the older women are cruelly misshapen and walk with extreme difficulty. (2) The Japanese are trying to change the burial customs of the Formosans by urging cremation to promote sanitation and to conserve the land. The Chinese are reluctant to give up [22] the time-honored practice of depositing their dead in concrete mounds and vaults, and resent any interference on the part of the government. (3) Firecrackers, so dear to young and old, are no longer permitted. The Chinese find that the noise quickly brings the military police to the scene; so they comply with this law. (4) Another law which the subject people frequently disobey, however, is the prohibition of gold and silver religious papers, which the

Chinese persist in burning at their temple ceremonies. (5) Traditional Chinese costumes no longer meet with the approval of the ruling class. The Taiwanese who discard their native dress are more apt to receive favors from the military police. Guardians of the law have been known to cut cloth buttons from the garments of Formosan Chinese in public. (6) The traditional Chinese theater is no longer free to give performances of classical plays in the old style. Actors must appear in modern or Japanese clothes, and preferably in plays which dwell upon Japanese themes of loyalty and Bushido. The Taiwan puppet plays are illegal except by police permission. (7) 'Due to the present situation,' storytellers are no longer allowed free speech. (8) The Japanese are opposed to betel-nut chewing and are anxious to put a stop to the habit, but they have not yet taken positive action. The natives buy and use betel nuts without police interference. (9) As opium is a government monopoly, the Japanese are in a position to exercise strict control. Opium smoking, it is claimed, is declining rapidly. (10) The Taiwan officials do not approve of native dances and festivals, but permit a few savage tribes to stage their traditional dances under close supervision."

40: Kirk--24 S-2
116, 185, 208, 177.18

(no date) 1941

Formosans
Japanese

"Spiritual mobilization. As an integral part of the Japanization program, the 'Ten Commandments of Taiwan' are given wide publicity.

1. Revere the Emperor. Make your body, as well as soul, that of a Japanese.
2. Revere the Shinto Shrine. Discard superstition.
3. Use the Japanese language. Discard Formosan Chinese.
4. Keep your body clean. Be neat in your dress.
5. Pay attention to hygiene. Stop the habit of eating in public.
6. Build sanitary facilities.
7. Think of the comfort of others; do good to them.
8. Follow the path of an honest man. Let us abolish thieves and liars.
9. Stop gambling. Work hard and earnestly.
10. Be polite and quiet. Stop quarrels and avoid speaking in loud tones."

40: Kirk--24-25 S-2 (no date) 1941 Formosans
116, 157, 185, 177.18 Japanese

"The Japanese are ambitious and aggressive; the Formosan Chinese are good natured and easygoing. The general opinion seems to be that Japan will succeed in its policy of assimilation, although old-timers whisper that the Formosan temperament is outwardly docile, but inwardly rebellious, and often finds ways of getting what it wants [25] in spite of official regulations. This control by force, combined with the passive temperament of the people, makes open resistance extremely unlikely, but as one Formosan told the writer, 'Many reforms are changes in outward appearance only. They do not transform the spirit within.'

It is probable that many specially qualified Formosans who have accepted the 'New Order' in Taiwan will find increasing opportunity to participate in the 'reconstruction' of China under Japanese rule; for the Taiwan plan of administration may by extended to the mainland in pursuit of a 'New Order' for South China."

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185 During the second period Formosa became the base for Japan's southward expansion. In 1936, Admiral Kobahashi was made the seventeenth Governor-General of Formosa. His appointment marked the return of military government.[45] In his first public speech, the Governor-General laid down a new two-point program for Formosa: cultural assimilation and industrial development.[46] An intensive campaign was launched to assimilate Formosan Chinese, who were encouraged to discard their own customs, religion, and language. The Japanese language was used in the schools. Chinese language newspapers were prohibited, and even banking had to be conducted in Japanese. Simultaneously the industrialization of the island was accelerated; mining and industrial enterprises were encouraged, and commercial crops such as cotton and ramie were raised. Machinery and raw materials were imported from Japan and other parts of the Japanese Empire in order to make the island self-sufficient industrially and to meet the demands of Japanese military efforts.

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45. The first seven governors-general in the period 1895-1919 were either admirals or generals. From 1919 to 1936 the governors-general were chosen from civilian officials. From 1936 on they were admirals.

46. Hideo Naitor, Taiwan- A Unique Colonial Record, 1937-38 Ed., Tokyo, Kokusai Nippon Kyokai, 1938, Ch. VI, pp. 53-54.

727 to 86,000 metric tons in 1945-46. The
433 Formosan farmer was faced with the "worst prospect in living memory," as one observer remarked.[8]

434 In spite of the seriousness of economic
178 conditions on Formosa, the Chinese government was able to make only limited progress in reconstruction following the restoration of the island to Chinese control. For one thing, the Nationalist Government was involved in a costly war with the Communists and faced with a huge rehabilitation program on the Mainland. Furthermore, without a surplus of exportable goods, China could not obtain the foreign exchange necessary to re-equip the damaged plants and restore agricultural production on Formosa. The island's economy continued to deteriorate until 1949, when Mainland China was overrun by the Communists and the National Government was withdrawn to Formosa.

458 The sudden influx of over one million
185 mainlanders and half a million soldiers further strained the resources of the island. Inflation was running wild and food was short. However, the removal of the national government to Formosa was not without benefit to the island.

8. H. Maclear Bates, Report from Formosa, New York, Dutton, 1952, p. 117.

185 458 First of all, the presence of President Chiang Kai-shek strengthened the political stability of the island. Then the arrival of technical and experienced personnel and capital equipment from the Mainland greatly facilitated the island's economic rehabilitation. With the gold evacuated from the Central Bank of China at Shanghai, the Nationalist Government was able to institute currency reform. Steps were immediately taken to increase the production of food-stuff, and a program was initiated to relieve the Formosan farmers' burden of high rents and high taxes. Taxation was simplified by discontinuing numerous special levies. To insure the cultivator a fair share of his crop, a land reform program was undertaken. Land rents were cut from their previously usurious rate of about 60 per cent of the main crop to a maximum of 37.5 per cent. A limit was set on the ownership of tenanted land. Any land holding in excess of the stated limit was bought by the government and resold to the tenant.

648 In 1950 economic improvement quickened. At the outbreak of the Korean conflict, the United States government assigned the Seventh Fleet to patrol duty in the Formosa Strait. Fear of Communist invasion, which had been the underlying cause of the constant flight of capital, was dispelled. Public confidence was further enhanced by the revival of American economic assistance in June of the same

178 and American efforts have effected tremendous
648 change. However, in spite of steady gains,
433 the economy of Formosa has not achieved complete stability. Industrial and agricultural production is higher than before the war, but because of the tremendous increase in population, per capita production is still below the pre-war level. The Nationalist Government has been able to meet yearly budgetary deficits only by relying on American aid and resorting to the printing press. Forty per cent of the annual imports into Formosa are financed by United States aid. Inflation is steadily mounting. The economic situation would be very grave without United States assiatance.

185 On the avowed basis that "a nation's
433 progress and prosperity cannot be a gift from others, but must be sought through production and reconstruction,"[14] the Nationalist Government formulated a four-year plan for economic reconstruction in 1953. The plan aims at developing the island's economy production to a self-sufficient level. By the time the plan is fully implemented, the government intends that Formosa, without

14. Report of Premier Chen Cheng (now Vice-President) before the National Assembly, March 4, 1954.

foreign aid, will be able to provide its people with the goods and services necessary for a satisfactory standard of living and yield sufficient revenue to support needed public services, including defense. The general co-ordination and review of the plan is the responsibility of the Economic Stabilization Board (ESB), established in July 1, 1953 within the Executive Yuan.

The Four-Year Economic Development Plan, is divided into two parts -- agricultural and industrial. The agricultural plan is directed at increasing the production of rice, sugar, pineapple, tea, peanuts, and soybean as a means of increasing exports and reducing imports. Since agriculture in Formosa is comparatively well developed,[15] the aim of the Four-Year Plan is to expand farm production 20 per cent by 1957.

The major emphasis of the Four-Year Plan is on industrial development, and top priority is given to the production of power and fertilizer. The following goals have been announced[16] for expanding the output of major products on completion of the plan in 1956 (production in 1952 equals 100):

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15. Practically all arable land is now in use. The possibility of enlarging the cultivated area depends largely on expanded irrigation.

16. Industrial Development Commission of the Economic Stabilization Board, The Four-year Economic Development Plan, Taiwan, Taipei, 1955, pp. 4, 7.

45:Stanford U. S-4, 5 1956 ADI Formosa
ADI

Item	1956 Index	Item	1956 Index
Rice	118	Coal	131
Sugar, white	138	Canned pineapple	217
Sugar, brown	181	Flour	2,060
Wheat	126	Cotton yarn	171
Peanuts, unhulled	150	Cotton cloth	122
Soybean	187	Paper	162
Tea	122	Soda ash	1,830
Pineapple	129	Phosphate	159
Fish	139	Cement	141
Timber	124	Shipbuilding	436
Poultry	122	Power	174

45:Stanford U. S-4, 5 1956 AD1 Formosa
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433 According to the report of the Industrial Development Commission of the Economic Stabilization Board, "annual production goals as set out in the Plan have generally been realized. In some instances, such as canned pineapple and textile production, actual production has been greater than planned."[17] A new Four-Year Plan is being drawn up to cover the period 1947-1960. These development plans indicate the determination of the Chinese government to put the economy of Formosa on a more solid basis. At the end of these two four-year plans the government envisions that, despite the heavy strain of military requirements, the national budget will be balanced; inflation will be halted; there will be enough export to balance foreign exchange payments; and the economic development will be great enough to take care of the rapidly growing population.

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17. Ibid., p. 8.

45:Stanford U. S-4, 5 1956 AD1 Formosa
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founder of the Republic of China, in his San-min Chu-i.[5] He called it the Land-to-the-Tiller Policy. It had been tried out in the provinces of Szechwan, Kwangsi, and Kweichow after World War II and met with some degree of success; but the reform program was interrupted by the Communist uprising. When Gen. Chen Cheng became the governor of Formosa in December 1948, he undertook with great zeal and determination to carry out the much-needed land reform in the insular provinces.

With the aid of the Sino-American Joint Commission on Rural Reconstruction (JCRR), a detailed program of land reform was mapped out. The program was to be carried out in three successive stages, namely, reduction of farm rent in 1949, sale of public farm lands in 1951, and redistribution of private lands in 1953.

A. Rent Reduction

On April 14, 1949, the Taiwan Provincial Government promulgated a set of regulations

5. San-min Chu-i [The Three Principles of the People], Taipei, China Cultural Service, reprinted 1953, p. 187.

52:Barclay S-5 (nodate)1954 AD1 Formosa AD1

ments, health program, and construction for public works all depended on generous amounts of labor. Without such cheap incentives to mobilize this labor, these projects could not have been pursued so effectively.

As obvious as these advantages of "indirect rule" may be, it should be as clear that it is a poor vehicle for introducing social change. The more it is used to wield authority, the stronger and more resistant to change it can become; the more it is undermined by altering local relationships that sustain it, the less remains of its usefulness. Hence, from adoption of this scheme initially as an expedient to "pacify" the island, Japanese authorities acquired a positive interest in preserving the same set of agrarian institutions that had existed in Taiwan before their arrival.

Thus they abandoned the idea of reorganizing the rural society—primarily because they tried and failed, but also because as it stood it gave them the best access to regulation of the agricultural population and farming practices. It was in some respects a ready-made instrument for exerting the necessary control with the least disturbance of customary affairs, having in the past enabled the various parties to the export trade to prosper at the expense of farmers. For better coordination of their policies, Japanese gradually did erect a more formal type of government administration, but the basis of the system in rural areas was not greatly affected by this modification.

The Impact of Improvements in Agriculture

The Japanese who were charged with remodeling Taiwan's economy gave first priority to long-range investments around the fringes of agriculture. The rural economy was already geared to exchange food and related products for special capital services. Certain of these services were soon altered under Japanese influence. Positions that provided them, or that could usurp them, gradually began to be occupied by Japanese nationals—official, private, and always an indistinct class in between that wielded quasi-official sanctions.

Those innovations that worked their way into agriculture were directed chiefly to raising crop yields per unit of tilled land. Another avenue of increasing the total agricultural product was by extending

construed as a lament that there were few opportunities for advancement outside the rural villages and towns dominated by petty gentry. Discontent from this source bore few signs of being the awakening of a popular movement for independence among the Taiwanese, as it is sometimes represented. See Hsu Tze-wei (1946), p. 161 ff.

36: Rowe S-4 (no date) 1955 AF1 China AF1
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was that the Taiwanese were accustomed to the peace and order of a country under a foreign tyranny, and could not, at first, understand the "lack of uniformity" and "the complexities" of democratic rule (thanks to the Japanese, on the other hand, they had no illusions about or yearnings after Communism). Finally, the men who governed Taiwan immediately after the retrocession gave every evidence of being more interested in increasing their power and lining their pockets than in providing good management. When, therefore, the Nationalist government moved to Taiwan in 1949, it found that it had taken on numerous grave local problems in addition to those it had brought with it from the mainland.

Political Reform

The Kuomintang, the leading political party, prepared itself to deal with these problems by putting itself through a reorganization. Its younger, more liberal leaders were, to this end, appointed to a Central Reform Committee, the main task of which was to strengthen and tighten party organization and eliminate corrupt elements, opportunists, and bureaucratic politicians. On 1 September 1950, the Nationalist government was ready to announce a new political program. Its objectives were to

> encourage private enterprise to the extent of avoiding monopolistic combinations and to transfer government-operated light industries to private ownership; to establish a democratic industrial system in which the workers' welfare is safeguarded by allowing them a share and a voice in the ownership and management of private enterprise; to promote the interests of tenant farmers and farmers through land reform, water conservancy, and land reclamation; to carry out local self-government and to protect civil rights.

Local self-government and land reform were the fields in which the government brought about the most spectacular changes. It first removed all the social barriers and segregation measures that had been created and maintained by the Japanese. The native Taiwanese were no longer barred from institutions of higher learning, or from the worthwhile positions in commerce and politics. They were encouraged to participate in local self-government, and to think for themselves. By 6 May 1951, 21 mayors and magistrates in 16 counties and 5 municipalities had been elected to their respective offices by popular vote. There are now 6304 village and *li* (comparable to urban wards) assemblies, in which the Taiwanese are learning the art of self-government. Representing them in town and district assemblies are 8024 village and *li* delegates. On the county and municipal levels, there are about 541 popularly elected councilmen. Of an estimated 2,650,000 qualified men and women voters, some 2,416,072 are registered. In keeping with the government's policy of economy, the total number of government employees was reduced in June, 1950 to 81,000. The percentage of indigenous citizens in the government service rose to 65.46 percent.

There has also been a marked change in the importance and responsibility of the posts held by Taiwanese. In the category of first class officials, indigenous personnel have increased from 0.92 percent under Japanese rule to 17.45 percent in the present government. In the category of second class officials, indigenous personnel rose from 1.29 percent to 25 percent.

Land Reform

The other outstanding reform accomplished by the government has been the carrying out of a new land reform program, which has greatly benefited the lot of the farmers, who are no less than 60 percent of the population. For the 70 percent of the farmers who are

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Education

Free primary school education is now available to everyone, and the average number of children attending school is 80 percent. (The Japanese had restricted the education of the Taiwanese, with few exceptions, to a certain level and to certain schools). All Taiwanese are free to attend any school or college.

In 1950, there were 121 middle schools in Taiwan. Of these 34 were provincial schools, 74 established by *kuien* or municipalities, and 13 private schools. In 1950, there were eight normal schools, as compared to three on V-J Day, several vocational schools, and six institutions of higher learning, including a national university with a total enrollment of 6573 students.

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F 873

Since most of the institutions of higher learning are run by the government with a view to keeping costs down, a Taiwanese may obtain a high school or college education with only a small outlay of money. However, the demand for education far exceeds the opportunities because educational facilities are still in short supply. Thus the schools are overcrowded and competition for admission to them is keen. Education remains a major unsolved problem.

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Evaluation of Nationalist Achievements

● 185. The Taiwanese economy today supports a considerably larger population than in the past. It also supports an army, which though it has itself cultivated land and increased other types of production in an attempt to provide in part for its own consumption, still creates a heavy drain upon the government treasury. By Western standards government employees are poorly paid; an army officer, for example, earns less than a storekeeper or peddler. The cost of living remains high in relation to average income, despite the fact that the currency is more stable than it has been for over a decade. There is some unemployment (though no beggars).

In general, however, the island's postwar record of internal peace, order, and achievement is impressive. The police force and local administration are efficient and reasonably free from corruption. Crime is at a low level. For the first time in many centuries, the government has taken an accurate census. The government gives every evidence of sincerely respecting the wishes and opinions of the people. To be sure, a permit is required for entering and leaving the island, and all residents carry identification cards. Some would attribute such measures to an overzealous secret police, but the alleged reason for them, military security, appears to be the real one. It must be remembered that a government constantly on the defensive against a merciless enemy, must take extensive precautions. The important point is that despite these precautions, and the presence of five hundred thousand exiled troops on the island, the Taiwanese who keeps within the law is not likely to be deprived of life, liberty, or property. This is rather confirmed than disproved by the considerable amount of grumbling in which they indulge. At any Taiwanese newstand one may purchase magazines and papers critical of the existing regime as well as those favorable to it, and there are no restrictions on listening in on the short-wave radio. There is, on the other hand, no mercy shown genuine political offenders. The Communists employ every method in the book in their attempt to recruit Taiwanese, including blackmail and threats of harm to relatives on the mainland. The Communist slogan, familiar to everyone on the mainland, is: "We will use blood to wash Taiwan clean!" The secret police in Taiwan have good reason, therefore, to keep on the alert, and the government good reason to mete out swift justice to the proven spy or traitor. It is the general opinion

36: Rowe S-4 (no date) 1955 AF1 China AF1
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among foreign observers that in Taiwan there are fewer Communists, less unrest, and more security of the person than in any other country in the Far East except possibly Japan.

Taiwan is indisputably a thorn in the side of the Chinese Communist Party. It provides every Chinese malcontent a rallying ground on which he will be welcomed. It channels into a national force what would otherwise be the suppressed discontent of a weak and divided people. As in the Chungking days, the exiles think of themselves as occupying a temporary refuge, which they intend to maintain as a symbol of the hopes of all freedom-loving Chinese. As long as Taiwan remains outside the Bamboo Curtain, they insist, the hopes will not die.

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